

**IN THE UNITED STATES BANKRUPTCY COURT  
DISTRICT OF SOUTH CAROLINA**

In re:

Union Hospital District,

Debtor.

Case No.  
Chapter 9

**STATEMENT OF QUALIFICATIONS  
UNDER 11 U.S.C. § 109(c)**

Union Hospital District (“Debtor”), a public agency, hereby certifies its qualifications to be a debtor under section 109(c) of the United States Bankruptcy Codes, as follows:

1. The Debtor is a municipality as such term is defined in 11 U.S.C. § 101 (40).
2. The Debtor is specifically authorized in its capacity as a municipality to be a debtor under chapter 9 by the laws of the State of South Carolina. S.C. Code Ann. § 6-1-10. Additionally, on June 5, 2014, the Union Hospital District Board of Directors (the “Board”) adopted a resolution to authorize the commencement and prosecution of this case. A true and correct copy of this resolution is attached hereto as Exhibit 1. Pursuant to the resolution, the Debtor’s Chief Executive Officer has authorized and directed the filing of the petition under Chapter 9.
3. The Debtor is insolvent within the meaning of 11 U.S.C. § 101 (32)(C).
4. The Debtor desires to effect a plan to adjust its debts.
5. The Debtor is informed and believes that one or more creditors may attempt to obtain a transfer that is avoidable under Section 547 of Title 11, as made applicable to Chapter 9 proceedings by 11 U.S.C. § 901(a).
6. This Statement of Qualifications under 11 U.S.C. § 109(c) is supported by a Memorandum of Law which will be filed separately.

**HAYNSWORTH SINKLER BOYD, P.A.**

**By:** /s/ Stanley H. McGuffin  
Stanley H. McGuffin  
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Louise M. Johnson  
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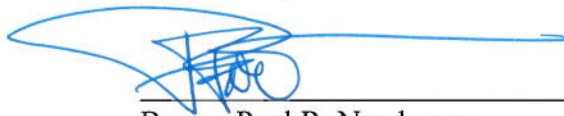
June 6, 2014

Attorneys for Debtor Union Hospital District

**DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF UNION  
HOSPITAL DISTRICT**

I, Paul R. Newhouse, the Chief Executive Officer of the Union Hospital District, am an officer or agent of the municipality named as a debtor in this case. I declare under penalty of perjury that I have read the foregoing Statement of Qualifications Under 11 U.S.C. § 109(c), and that it is true and correct to the best of my information and belief.

Union Hospital District



Dated: 6-6, 2014

By: Paul R. Newhouse  
Its: Chief Executive Officer

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNION HOSPITAL  
DISTRICT AUTHORIZING FILING OF A PETITION UNDER CHAPTER 9 OF THE  
UNITED STATES BANKRUPTCY CODE AND OTHER MATTERS RELATED  
THERETO**

**WHEREAS**, Union Hospital District (the "Hospital") was created in 1946 by act of the South Carolina Legislature to provide hospital facilities to the residents of Union County;

**WHEREAS**, the Union County Council appoints the members of the Union Hospital District Board of Directors (the "Board");

**WHEREAS**, the Hospital is and has been operating at a loss and is unable to consistently pay its debts as they become due;

**WHEREAS**, the Hospital has been exploring possible restructuring of its debts and the sale of all or some portion of its assets; and

**WHEREAS**, the Board has determined among other things that it is in its best interests of the Hospital that a petition for protection under the provisions of the United States Bankruptcy Code be filed by the Hospital.

**NOW THEREFORE, BE IT RESOLVED** by the Union Hospital District Board of Directors, in meeting duly assembled, as follows:

1. The statements of facts set forth in the recitals of this Resolution are adopted as true and correct as of the date hereof.

2. The Hospital is hereby authorized to file a petition for protection under Chapter 9 of the United States Bankruptcy Code, and the same is hereby approved and adopted in all respects, and the Chief Executive Officer on behalf of and in the name of the Hospital, is hereby authorized to execute and verify such petition and cause the same to be filed with the United States Bankruptcy Court for the District of South Carolina with such filing to occur at such time as the Chief Executive Officer after consultation with counsel for the Hospital determines the filing is in the best interest of the Hospital.

3. The Hospital, by and through its officers, is further authorized, individually or collectively, to do all things, engage and pay any consultants, accountants, attorneys or other persons or entities and execute any documents, pleadings, amendments, registration statements, prospectuses, disclosure statements, contracts, deeds, conveyances, certifications or instruments necessary or convenient to implement this Resolution, to restructure the indebtedness of the Hospital or to promote the charitable and governmental purposes of the Hospital.

4. All actions previously taken by the officers, directors or agents of the Hospital, its committees or advisors, in connection with the matters which are the subject of this Resolution are hereby expressly ratified and approved by the Board.

5. This Resolution is effective as of the date noted below, and will continue in full force and effect until repealed by subsequent action of the Board.




Passed and approved this 5<sup>th</sup> day of June, 2014.

### **CERTIFICATE**

I, the undersigned Chairperson of the Board of Directors (the "Board") of the Union Hospital District (the "Hospital"), do hereby certify that I am a duly qualified and acting officer of the Board, and as such officer I hereby certify that the foregoing is a true and complete copy of the resolution duly adopted by the Board at a meeting thereof duly held on June 5, 2014, for which notice was accomplished in accordance with the requirements of South Carolina law and the By-laws of the Hospital, at which a quorum of the Board was present and participated throughout and that such Resolution has not been repealed, modified or amended and remains in full force and effect as of the date hereof.

WITNESS my signature this 5<sup>th</sup> day of June, 2014.

**Union Hospital District**

  
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Chairperson, Board of Directors